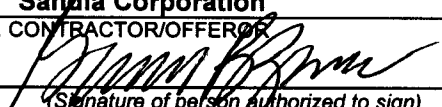
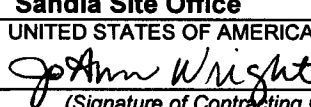


<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>			1. CONTRACT ID CODE		PAGE 1 OF 6 PAGES		
2. AMENDMENT/MODIFICATION NO. <b>M288</b>		3. EFFECTIVE DATE <b>See Block 16C</b>		4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)	
6. ISSUED BY <b>U.S. Department of Energy National Nuclear Security Administration Sandia Site Office (MS 0184) P.O. Box 5400 Albuquerque, NM 87185-5400</b>				7. ADMINISTERED BY (If other than Item 6)			CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, state, ZIP Code)  <b>Sandia Corporation P. O. Box 5800 Albuquerque, NM 87185</b>				9A. AMENDMENT OF SOLICITATION NO.			
				9B. DATED (SEE ITEM 11)			
				10A. MODIFICATION OF CONTRACT/ORDER NO.  <b>DE-AC04-94AL85000</b>			
				10B. DATED (SEE ITEM 13) <b>October 1, 1993</b>			
CODE		FACILITY CODE					
<b>11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS</b>							
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning ____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. ACCOUNTING AND APPROPRIATION DATA (If required)							
<b>13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS.</b>							
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.							
CHECK ONE		A. THIS CHANGE ORDER IS ISSUED PURSUANT TO (Specify authority): THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.					
		B. THE ABOVE-NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (Such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).					
<b>X</b>		C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: <b>Department of Energy Organization Act, 42 U.S.C. § 7101 et seq. and the National Nuclear Security Administration Act, 50 U.S.C. § 2401 et seq.,</b>					
		D. OTHER (Specify type of modification and authority):					
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>  3  </u> copies to the issuing office.							
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)							
The purpose of this modification is to:							
1) Agree upon estimated cost and fee for the period of October 1, 2007 through September 30, 2008;							
2) Establish an FY2008 ceiling under H-24, Home Office and Other Corporate Support; and							
3) Update Section I, Contract Clauses.							
Except as provided herein, all terms and conditions of the document referenced in Items 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.							
15A. NAME AND TITLE OF SIGNER (Type or print) <b>Gary B. Zura, Senior Manager Sandia Corporation</b>				16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) <b>JoAnn Wright, Contracting Officer Sandia Site Office</b>			
15B. CONTRACTOR/OFFEROR BY 		15C. DATE SIGNED <b>10/9/07</b>		16B. UNITED STATES OF AMERICA BY 		16C. DATE SIGNED <b>10/9/07</b>	
(Signature of person authorized to sign)				(Signature of Contracting Officer)			
NSN 754-01-152-8070 PREVIOUS EDITION UNUSABLE							

1. Section B, Clause B-2, Contract Type and Value is amended as follows:

- a. Paragraph (b) is revised as follows to set forth the Estimated Cost for FY 2008 and to reflect the Total Estimated Cost, exclusive of Contractor's Fees:

<u>Contract Period</u>	<u>Estimated Cost</u>
October 1, 2007 through September 30, 2008	\$ 2,313,723,190.00
October 1, 2008 through September 30, 2010	\$ To be negotiated annually.
TOTAL through FY08	\$26,730,371,824.00

- b. Paragraph (c) is revised as follows to set for the Fixed Fee for FY 2008 and to reflect the total Fixed Fee under the contract:

<u>Contract Period</u>	<u>Fixed Fee</u>
October 1, 2007 through September 30, 2008	\$ 16,372,062.00
October 1, 2008 through September 30, 2010	\$ To be negotiated annually.
TOTAL through FY08	\$235,962,280.00

- c. Paragraph (d) is revised to set forth the maximum available Performance Incentive Fee pool for FY 2008 and to reflect the total Performance Incentive Fee pool under the contract:

	<u>Maximum Available Performance Incentive Fee Pool</u>
<u>Contract Period</u> October 1, 2007 through September 30, 2008	\$ 8,770,748.00
October 1, 2008 through September 30, 2010	\$ To be negotiated annually.
TOTAL through FY08	\$42,929,917.00

- d. Paragraph (e) is revised as follows: The Total Estimated Cost, Fixed Fee, and Maximum Available Performance Incentive Fee Pool under this contract for the period October 1, 1993, through September 30, 2008 is \$27,009,264,021.00.

2. Section H, Clause H-24, Home Office and Other Corporate Support, is revised to incorporate an FY 2008 ceiling for home office and other corporate support services directly

attributable to the contract by adding the following as the first sentence of paragraph (d):  
The FY 2008 estimated budget for these services is \$1,996,500.00.

3. Section I, Contract Clauses, are revised as follows:

- a. Clause I-21, FAR 52.222.26 EQUAL OPPORTUNITY (APR 2002) is replaced by the following:

**21. FAR 52.222.26 EQUAL OPPORTUNITY (MAR 2007)**

- (a) *Definition.* "United States," as used in this clause, means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.
- (b)(1) If, during any 12-month period (including the 12 months preceding the award of this contract), the Contractor has been or is awarded nonexempt Federal contracts and/or subcontracts that have an aggregate value in excess of \$10,000, the Contractor shall comply with this clause, except for work performed outside the United States by employees who were not recruited within the United States. Upon request, the Contractor shall provide information necessary to determine the applicability of this clause.
- (2) If the Contractor is a religious corporation, association, educational institution, or society, the requirements of this clause do not apply with respect to the employment of individuals of a particular religion to perform work connected with the carrying on of the Contractor's activities (41 CFR 60-1.5).
- (c)(1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. However, it shall not be a violation of this clause for the Contractor to extend a publicly announced preference in employment to Indians living on or near an Indian reservation, in connection with employment opportunities on or near an Indian reservation, as permitted by 41 CFR 60-1.5.
- (2) The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. This shall include, but not be limited to—
- (i) Employment;
  - (ii) Upgrading;
  - (iii) Demotion;
  - (iv) Transfer;
  - (v) Recruitment or recruitment advertising;
  - (vi) Layoff or termination;
  - (vii) Rates of pay or other forms of compensation; and

(viii) Selection for training, including apprenticeship.

(3) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.

(4) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(5) The Contractor shall send, to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, the notice to be provided by the Contracting Officer advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

(6) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

(7) The Contractor shall furnish to the contracting agency all information required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor. The Contractor shall also file Standard Form 100 (EEO-1), or any successor form, as prescribed in 41 CFR Part 60-1. Unless the Contractor has filed within the 12 months preceding the date of contract award, the Contractor shall, within 30 days after contract award, apply to either the regional Office of Federal Contract Compliance Programs (OFCCP) or the local office of the Equal Employment Opportunity Commission for the necessary forms.

(8) The Contractor shall permit access to its premises, during normal business hours, by the contracting agency or the OFCCP for the purpose of conducting on-site compliance evaluations and complaint investigations. The Contractor shall permit the Government to inspect and copy any books, accounts, records (including computerized records), and other material that may be relevant to the matter under investigation and pertinent to compliance with Executive Order 11246, as amended, and rules and regulations that implement the Executive Order.

(9) If the OFCCP determines that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked

against the Contractor as provided in Executive Order 11246, as amended; in the rules, regulations, and orders of the Secretary of Labor; or as otherwise provided by law.

(10) The Contractor shall include the terms and conditions of this clause in every subcontract or purchase order that is not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor.

(11) The Contractor shall take such action with respect to any subcontract or purchase order as the Contracting Officer may direct as a means of enforcing these terms and conditions, including sanctions for noncompliance, provided, that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of any direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

(d) Notwithstanding any other clause in this contract, disputes relative to this clause will be governed by the procedures in 41 CFR 60-1.1.

*End of Clause*

b. Clause I-45, FAR 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (SEP 2006) is replaced by the following:

**45. FAR 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (MAR 2007)**

(a) *Definitions.* As used in this clause—

“Commercial item” has the meaning contained in Federal Acquisition Regulation 2.101, Definitions.

“Subcontract” includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

(b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this contract.

(c)(1) The Contractor shall insert the following clauses in subcontracts for commercial items:

(i) 52.219-8, Utilization of Small Business Concerns (May 2004) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$550,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

- (ii) 52.222-26, Equal Opportunity (Mar 2007) (E.O. 11246).
- (iii) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sept 2006) (38 U.S.C. 4212(a));
- (iv) 52.222-36, Affirmative Action for Workers with Disabilities (June 1998) (29 U.S.C. 793).
- (v) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004) (E.O. 13201). Flow down as required in accordance with paragraph (g) of FAR clause 52.222-39).
- (vi) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. App. 1241 and 10 U.S.C. 2631) (flow down required in accordance with paragraph (d) of FAR clause 52.247-64).

(2) While not required, the Contractor may flow down to subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

(d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

*End of Clause*

4. All other terms and conditions remain unchanged.

----- End of Modification -----